Department of Veterans Affairs
Health Administration Center
Spina Bifida Healthcare

SPINA BIFIDA
FACT SHEET 01-10
Payment Methodology

What is the Spina Bifida Healthcare Program?

The Spina Bifida Healthcare Program is a federal health benefit program administered by the Department of Veterans Affairs for birth children of Vietnam veterans diagnosed with spina bifida. The Spina Bifida Healthcare Program is a Fee for Service (indemnity plan) program. The Spina Bifida Healthcare Program provides reimbursement for all conditions associated with spina Bifida except spina bifida occulta.

What does the Spina Bifida Healthcare Program pay?

In most cases, Spina Bifida Healthcare Program pays equivalent MEDICARE rates. There are no co-pays or deductible for beneficiaries, Spina Bifida Healthcare Program pays 100% of the allowable charge.

What is an allowable amount?

The term allowable amount (or allowable charge) is the maximum amount the Spina Bifida Healthcare Program will authorize for payment to a hospital, institutional provider, physician or other individual professional, or an authorized provider for covered medical services.

Does the provider have to accept the Spina Bifida Healthcare Program allowable rate?

Yes, under 38 CFR 17.903(c), providers must accept the Spina Bifida Healthcare Program allowable rate and cannot balance bill the patient.

What does the Spina Bifida Healthcare Program pay for outpatient services?

The lesser of the actual billed charge or 100% of the Spina Bifida Healthcare Program determined maximum allowable charge. This maximum allowable charge is generally equivalent to the Department of Defense's CMAC rate and the MEDICARE rate.

What does the Spina Bifida Healthcare Program pay for ambulatory surgery (facility and professional charges)?

- *Facility charges*: payment for procedures performed in a hospital-based setting or freestanding ambulatory surgical center is based on the lesser of

the billed charge or a prospective payment system (PPS) reimbursement. The PPS amount is generally equivalent to the CHAMPUS/TRICARE or Medicare rate.

- *Professional fees*: payment for professional fees is based on the lesser of the billed charge or 100% of the Spina Bifida Healthcare Program determined maximum allowable charge. The allowable charge is generally equivalent to the CHAMPUS/TRICARE or Medicare rate. Professional fees include the physician services and diagnostic radiology and laboratory tests not directly related to the performance of the procedure.

- *Incidental procedures:* an incidental procedure is performed at the same time as a more complex primary procedure. However, the incidental procedure requires little additional physician resources and is not reimbursable separately.

What does the Spina Bifida Healthcare Program pay for prescription medication?

The lesser of the actual billed charge or the average wholesale price (as found in the Drug Topics Red Book) plus a $3.00 dispensing fee.

How is the payment for covered non-prescription supplies (such as diapers) determined?

Payment is based on the billed charge noted on the receipt from the supplier (drug store, grocery store, mail-order supply company, etc.).

What does the Spina Bifida Healthcare Program pay for durable medical equipment?

For items that are purchased, the Spina Bifida Healthcare Program pays 100% of the VA purchase price.

For items that are rented, the Spina Bifida Healthcare Program pays 100% of the billed charges. However, if it is determined that it is less expensive to purchase the item, the Spina Bifida Healthcare Program will only pay the rental costs until the item can be purchased (normally through the VA).

How does the Spina Bifida Healthcare Program calculate reimbursement for inpatient services?

- *Professional fees*: payment for professional fees is based on the lesser of the billed charge or 100% of the Spina Bifida Healthcare Program determined maximum allowable charge. The allowable charge is generally equivalent to the CHAMPUS/TRICARE or Medicare rate.

- *Diagnosis Related Group (DRG) based facility fees*: payment is the DRG rate. This is generally equivalent to the CHAMPUS/TRICARE or Medicare rate.

- *Non-DRG based facility fees:* when the facility is exempt it is exempt from the DRG and per diem payment systems, the payment is based on the billed charge.

- *Mental health facility fees:*

    - *High volume and Residential Treatment Centers*. Payment is based on the CHAMPUS/TRICARE mental health per diem system.

    - *Low volume hospitals*. Payment is based on the lesser of (1) a regional per day amount or (2) the billed charge.

    - *Substance use disorder rehabilitation facilities*. Payment is based on the DRG rate. This is generally equivalent to the CHAMPUS/TRICARE or Medicare rate.

How do I get more information?

- Check our web site at www.va.gov/hac, select Spina Bifida
- Write us at P.O. Box 65025, Denver, CO 80206-9025
- E-mail us at hac.inq@med.va.gov
- Call 1-888-820-1756, Monday-Friday from 10:00 AM - 1:30 PM and 2:30 PM – 4:30 PM Eastern Time.